

EXHIBIT 1

INTRODUCTION

Respondent Bernardo M. Perez served as a member of the Moorpark City Council from 1989 to 1998, when he left that position to run, unsuccessfully, for the office of Mayor.

Respondent's spouse, Victoria Perez, was a real estate agent, and during her husband's tenure on the Moorpark City Council, worked for several real estate brokerage firms doing business in the City of Moorpark. On his 1997 annual and leaving office statements of economic interests ("SEI's"), Respondent declared that he had no reportable economic interests. In fact, Respondent had economic interests that he should have reported on his 1997 annual and leaving offices SEI's, as a result of Victoria Perez receiving commission income aggregating \$250 or more in value from Century 21 Classic Realty in 1997 and Troop Real Estate in 1998.

For the purposes of this Stipulation, Respondent's violations of the Political Reform Act (the "Act")¹ are stated as follows:

COUNT 1: On or about March 31, 1998, Respondent Bernardo M. Perez failed to disclose Century 21 Classic Realty as a source of income on his 1997 annual statement of economic interests, in violation of Sections 87203 and 87207, subdivision (a).

COUNT 2: On or about January 4, 1999, Respondent Bernardo M. Perez failed to disclose Troop Real Estate as a source of income on his leaving office statement of economic interests, in violation of Sections 87204 and 87207, subdivision (a).

SUMMARY OF THE LAW

One of the express purposes of the Act, as set forth in Section 81002, subdivision (c), is to ensure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided. The Act therefore establishes an economic interests reporting system designed to accomplish this purpose of disclosure.

In furtherance of that purpose, Section 87203 requires every person who holds an office described in Section 87200 to annually file with the Fair Political Practices Commission, at a time specified in the Commission's regulations, a statement of economic interests disclosing his or her

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

reportable investments, interests in real property, and income. Under Regulation 18723, subdivision (b)(2), the deadline for a city council member to file an annual statement of economic interests is April 1 of each year. The statement must include all of the city council member's reportable economic interests during the preceding calendar year. (Regulation 18723, subdivision (a).

Also in furtherance of that purpose of disclosure, Section 87204 requires every person who leaves an office described in Section 87200 to file, within 30 days, a statement disclosing his or her investments, interests in real property, and income during the period since the closing date of the last statement of economic interests that he or she was required to file.

Income means a payment received, and includes any community property interest in the income of a spouse. (Section 82030, subdivision (a).) "Sources of commission income" for a real estate agent in a specific sale or transaction include, among others, the broker and brokerage business entity under whose auspices the agent works. (Regulation 18702.3, formerly numbered Regulation 18704.3 in 1997 and 1998.)

Section 87207, subdivision (a)(1), as it existed in 1997 and 1998, states that when income is required to be reported, the statement of economic interests shall contain:

The name and address of each source of income aggregating \$250 or more in value, of \$50 or more in value if the income was a gift, and a general description of the business activity, if any of each source.

SUMMARY OF THE FACTS

Respondent Bernardo M. Perez served as a member of the Moorpark City Council from 1989 to 1998 when he left that position to run, unsuccessfully, for the office of Mayor. He left office on or about December 2, 1998.

At all times pertinent hereto, Respondent's spouse, Victoria Perez, was a real estate agent, and received commission income from several real estate brokerage firms doing business in the City of Moorpark.

Respondent filed a 1997 annual SEI with the City of Moorpark, on or about March 31, 1998. The statement covered the period January 1, 1997 through December 31, 1997. On the cover page of the statement, in the section entitled "Schedule Summary," Respondent declared that he had no reportable interests. In fact, Respondent's spouse received commission income from Century 21 Classic Realty, totaling \$6,349.62 in 1997.

By failing to disclose the receipt of income from Century 21 Classic Realty on the 1997 annual SEI that he filed on or about March 31, 1998, Respondent violated Sections 87203 and 87207, subdivision (a).

Respondent filed a leaving office SEI with the City of Moorpark, on or about January 4, 1999. The statement covered the period January 1, 1998 through December 2, 1998. On the cover page of the statement, in the section entitled "Schedule Summary," Respondent declared that he had no reportable interests. In fact, Respondent's spouse received commission income from Troop Real Estate, totaling \$2,302.15 in 1998.

By failing to disclose the receipt of income from Troop Real Estate on the leaving office SEI that he filed on or about January 4, 1999, Respondent violated Sections 87204 and 87207, subdivision (a).

During the investigation of this matter, Respondent was asked to amend his 1997 annual and leaving office SEI's to disclose his previously omitted sources of income, but failed to do so until it was made a condition for entering into this stipulated settlement.

CONCLUSION

SEI non-disclosure violations are serious violations of the Act, and historically carry a high penalty, as disclosure omissions create an appearance of impropriety. When a non-disclosure is coupled with another violation, such as a conflict of interest, or is an on-going violation, in that the disclosure omission is duplicated in a subsequent SEI or amendment, the violation often carries a maximum penalty.

Respondent was an experienced office holder, and was aware of his economic disclosure obligations under the Act. He thwarted one of the express purposes of the Act, by holding office as a member of the Moorpark Council, and making decisions affecting his community without publicly disclosing all of his reportable economic interests in 1997 and 1998. Moreover, he never filed amendments to his statements, correcting his inaccurate and incomplete disclosure, until entering into this stipulated settlement.

This matter consists of two counts, which carries a maximum administrative penalty of Four Thousand Dollars (\$4,000). The facts of this case, including the factors discussed above, justify imposition of the agreed upon penalty of Four Thousand Dollars (\$4,000).